



MISSOURI DEPARTMENT OF REVENUE
**UNDERPAYMENT OF ESTIMATED TAX
BY INDIVIDUALS**

1998
FORM
MO-2210

Enclosure Sequence No. 1040-06

DLN

ENCLOSE THIS FORM WITH FORM MO-1040

| | | | |
|---|--|---|--|
| YOUR LAST NAME, FIRST NAME, INITIAL | | YOUR SOCIAL SECURITY NUMBER | |
| SPOUSE'S LAST NAME, FIRST NAME, INITIAL | | SPOUSE'S SOCIAL SECURITY NO. | |
| PRESENT ADDRESS (INCLUDE APARTMENT NUMBER OR RURAL ROUTE) | | CITY, TOWN OR POST OFFICE, STATE AND ZIP CODE | |

NOTE: In most cases, you **do not** need to file Form MO-2210. The Missouri Department of Revenue will figure any penalty you owe and send you a bill.

If you want to calculate your penalty, you may qualify for the Short Method below. You may use the Short Method if:

- You qualify to use the Short Method on the Federal Form 2210 **or**
- All withholding and estimated tax payments were made equally throughout the year **and**
- You **do not** annualize your income.

If (a) or (b and c) apply to you, complete Part I, Required Annual Payment and Part II, Short Method. If none of these apply to you, complete Part I, Required Annual Payment and Part III, Regular Method.

PART I — REQUIRED ANNUAL PAYMENT

| | | |
|---|---|--|
| 1. Enter your 1998 tax after credits (Form MO-1040, Line 37 less APPROVED Credits from Line 38) | 1 | |
| 2. Multiply Line 1 by 90% (66 2/3% for qualified farmers) | 2 | |
| 3. Withholding taxes. Do not include any estimated tax payments on this line | 3 | |
| 4. Subtract Line 3 from Line 1. If less than \$500, stop here; do not complete or file this form. You do not owe the penalty. | 4 | |
| 5. Enter the tax shown on your 1997 tax return. | 5 | |
| 6. Required annual payment. Enter the smaller of Line 2 or Line 5 (Note: If Line 3 is equal to or more than Line 6, stop here; you do not owe the penalty. Do not file Form MO-2210.) | 6 | |

PART II — SHORT METHOD

| | | |
|--|----|--|
| 7. Enter the amount, if any, from Line 3 above | 7 | |
| 8. Enter the total amount, if any, of estimated tax payments you made | 8 | |
| 9. Add lines 7 and 8 | 9 | |
| 10. Total underpayment for year. Subtract Line 9 from Line 6. If zero or less, stop here; you do not owe the penalty. Do not file Form MO-2210 | 10 | |
| 11. Multiply Line 10 by .057185 | 11 | |
| 12. If the amount on Line 10 was paid on or after 4/15/99, enter 0 (zero). If the amount on Line 11 was paid before 4/15/99, make the following computation to find the amount to enter on Line 12. <div style="display: flex; justify-content: space-between; align-items: center;"> <div>Amount on Line 10</div> <div>X</div> <div>Number of days paid before 4/15/99</div> <div>X</div> <div>.0002192</div> </div> | 12 | |
| 13. Penalty. Subtract Line 12 from Line 11. Enter result here and on Form MO-1040, Line 55 | 13 | |

PART II INSTRUCTIONS — SHORT METHOD

A. Purpose of the Form — Use this form to determine whether your income tax was sufficiently paid throughout the year by withholding or by estimated tax payments. If it is not, you may owe an addition to tax on the underpaid amount.

B. Short Method — You may use the Short Method if you qualify to use the Short Method on the Federal Form 2210 or, all withholding and estimated tax payments were made equally throughout the year and you do not annualize your income.

If you do not qualify to use the Short Method, you must use the Regular Method on page 2.

NOTE: IF THIS FORM IS NOT ENCLOSED WITH FORM MO-1040, ENCLOSE CHECK OR MONEY ORDER PAYABLE TO "DIRECTOR OF REVENUE" AND MAIL TO P.O. BOX 329, JEFFERSON CITY, MO 65107-0329.

NAME AS SHOWN ON FRONT

SOCIAL SECURITY NUMBER

PART III — REGULAR METHOD**SECTION A — FIGURE YOUR UNDERPAYMENT (COMPLETE LINES 14 THROUGH 19)***If you meet any of the exceptions (see instruction D) to the addition to tax for ALL quarters, omit Lines 14 through 19 and go directly to Line 20.*

| 14. Required annual payment (Part I, Line 6) | | | | |
|---|---------------------------|---------------|----------------|--------------|
| | DUE DATES OF INSTALLMENTS | | | |
| | APR. 15, 1998 | JUNE 15, 1998 | SEPT. 15, 1998 | JAN 15, 1999 |
| 15. Divide amount on Line 14 by the number of installments required for the year (see instruction B). Enter the result in appropriate columns. (see instructions for farmers) | | | | |
| 16. Amounts paid on estimate for each period and tax withheld (see instruction F). | | | | |
| 17. Overpayment of previous installment (see instruction G) | | | | |
| 18. Total (Add Line 16 and Line 17) | | | | |
| 19. Underpayment (Line 15 less Line 18), or Overpayment (Line 18 less Line 15) | | | | |

SECTION B — EXCEPTIONS TO THE ADDITION TO TAX (see instruction D)*(For special exceptions see instruction I for service in a "combat zone", and instruction J for farmers.)*

| | | | | |
|--|-----------------|-----------------|-----------------|------------------|
| 20. Total amount paid and withheld from January 1 through the installment date indicated | | | | |
| 21. Exception No. 1 — prior year's tax 1997 tax | 25% OF 1997 TAX | 50% OF 1997 TAX | 75% OF 1997 TAX | 100% OF 1997 TAX |
| 22. Exception No. 2 — tax on prior year's income using 1998 rates and exemptions | 25% OF TAX | 50% OF TAX | 75% OF TAX | 100% OF TAX |
| 23. Exception No. 3 — tax on annualized 1998 income | 22.5% OF TAX | 45% OF TAX | 67.5% OF TAX | |
| 24. Exception No. 4 — tax on 1998 income over 3, 5 and 8-month periods | 90% OF TAX | 90% OF TAX | 90% OF TAX | |

SECTION C — FIGURE THE ADDITION TO TAX (Complete Lines 25 through 29)

| | | | | |
|---|--|--|--|--|
| 25. Amount of underpayment (from Line 19) | | | | |
| 26. Date of payment or April 15, 1999 whichever is earlier (see instruction H) .. | | | | |
| 27a. Number of days from due date of installment to the date shown on Line 26, or December 31, 1998, whichever is earlier | | | | |
| 27b. Number of days from January 1, 1999 or 1999 installment due date to date of payment or appropriate due date of return (April 15, 1999 for individuals), whichever is earlier | | | | |
| 28a. Multiply the 9% annual interest rate times the amount on Line 25 for the number of days shown on Line 27a. | | | | |
| 28b. Multiply the 8% annual interest rate times the amount on Line 25 for the number of days shown on Line 27b. | | | | |
| 28c. Add Lines 28a and 28b for the total additions to tax | | | | |
| 29. Total amounts on Line 28c. Show this amount on Line 55 of MO-1040 as "Underpayment of Estimated Tax Penalty". If you have an underpayment on Line 54 of Form MO-1040, enclose your check or money order for payment in the amount equal to the total of Line 54 and the penalty amount. If you have an overpayment on Line 53, the Department of Revenue will reduce your overpayment by the amount of the penalty | | | | |

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A. Purpose of the Form — Use this form to determine whether your income tax was sufficiently paid throughout the year by withholding or by estimated tax payments. If it is not, you may owe an addition to tax on the underpaid amount.

B. Filing an Estimated Declaration and Paying the Tax, Calendar Year Taxpayers — If you file returns on a calendar year basis and are required to file Form MO-1040ES, you are generally required to file a declaration by April 15, and to pay the tax in four installments. (If you are not required to file a declaration until later in the year because of a change in your income or exemptions, you may be required to pay fewer installments.) The chart below shows the due date for declarations and the maximum number of installments required for each.

| Period Requirements First Met | Due Date of Declarations | Maximum Number of Installments Required |
|-------------------------------|--------------------------|---|
| Between January 1 and April 1 | April 15 | 4 |
| Between April 2 and June 1 | June 15 | 3 |
| Between June 2 and Sept. 1 | Sept. 15 | 2 |
| After Sept. 1 | Jan. 15 | 1 |

When the due date falls on a Saturday, Sunday or legal holiday, the declaration will be considered timely if filed on the next business day.

C. Fiscal Year Taxpayers — Fiscal year taxpayers should substitute for the due dates above, the 15th day of the first and last months of the second quarter of your fiscal year; the 15th day of the last month of the third quarter; and the 15th day of the first month of your next fiscal year.

D. Exception to the Addition to Tax — You will not be liable for an addition to tax if your 1998 tax payments (amounts shown on Line 20) equal or exceed any amount determined for the same period under the following exception provisions. You may apply a different exception to each underpayment, but please enclose a separate computation page. If none of the exceptions apply, complete Lines 15 through Line 29.

The percentages shown on Lines 21, 22 and 23, for the April 15, June 16 and Sept. 15 installment dates, are for calendar year taxpayers required to pay installments on four dates.

Exception 1 — Prior Year's Tax. — This exception applies if your 1998 tax payments equal or exceed the tax shown on your 1997 tax return. The 1997 return must cover a period of 12 months and show a tax liability.

Exception 2 — Tax on Prior Year's Income using 1998 Rates and Exemptions — This exception applies if your 1998 tax withheld and estimated tax payments equal or exceed the tax that would have been due on your 1997 income if you had computed it at 1998 rates. To determine this exception use the personal exemptions allowed for 1998 but use the other facts and law applicable to your 1997 return.

Exception 3 — Tax on Annualized 1998 Income — This exception applies if your 1998 tax payments equal or exceed 90% of the tax on your annualized taxable income for periods from the first of the year to the end of the month preceding that in which an installment is due. To annualize your taxable income, follow these four steps.

- Figure your adjusted gross income less itemized deductions from the first of your tax year up to and including the month prior to that in which an installment is due; or, if you use the standard deduction, figure your adjusted gross income for that period.
- Multiply the result of step (a) by 12
- Divide the result of step (b) by the number of months in your computation period.
- Subtract the deduction for personal exemptions and, if you did not itemize, subtract the standard deduction. The result is your annualized taxable income.

Exception 3 may not be used for the fourth installment period.

Example I
(combined return with three dependents)

| | |
|--|----------|
| 1. Wages, received during Jan., Feb. and Mar. | \$2,000 |
| 2. Self-employment income during Jan., Feb. and Mar. | 3,000 |
| 3. Adjusted gross income | \$5,000 |
| 4. Annualized income (\$5,000 x 12 = \$60,000 ÷ 3) . . . | \$20,000 |
| 5. Less: | |
| (a) Standard deduction | \$6,900 |
| (b) Exemptions (2 x 1,200) + (3 x 400) . . . | 3,600 |

| | | |
|---|---------|--------|
| (c) Federal tax (joint return) | 0 | 10,500 |
| 6. Annualized taxable income | \$9,500 | |
| 7. Income Tax (from Missouri tax table) | \$345 | |

If your tax withheld and estimated tax payment for the first installment period of 1998 were at least \$78 (22.5% of \$345) you do not owe an addition to tax for that period.

Exception 4 — Tax on 1998 Income Over Periods of 3, 5 and 8 months — This exception applies if your 1998 tax payments equal or exceed 90 percent of the tax on your taxable income for periods starting from the first of the year to the end of the month preceding that in which an installment is due. To determine if this exception applies, figure your taxable income from January 1, 1998 to the end of the month preceding that in which an installment is due. Then compute your tax on that amount as though it represented your taxable income for 1998.

| Example II (combined return with two dependents, using standard deduction) | | | | |
|---|---------------|------------|----------------------|------------------------|
| (1) Computation Period | (2) Income | (3) Tax | (4) 90% of Tax | (5) Tax Withheld |
| Jan. 1 to Mar. 31 | \$ 4,500 | 0 | 0 | \$ 86 |
| Jan. 1 to May 31 | 7,500 | 0 | 0 | 144 |
| Jan. 1 to Aug. 31 | 12,000 | \$ 34 | \$ 31 | 230 |
| Jan. 1 to Dec. 31 | 21,400 | 418 | | 345 |

Since the amounts in column (5) are greater than those in column (4) for each of the first three computation periods, there is no addition to tax for first three installment periods. However, although the law does not permit the use of exception 4 for the fourth installment period, no addition to tax is owed for that period because there is no underpayment. The \$115 tax withheld for that period (\$345 minus \$230 shown in column (5), above) is more than 90 percent of the tax that would have been due for the fourth installment if the total tax for the year had been spread equally over the four installment periods. Exception 4 may not be used for the fourth installment period.

E. Figure the additions to tax — For Line 27a, enter the number of days from the due date of the installment to the date of payment, or December 31, 1998, whichever is earlier. If the payment date on Line 26 is December 31, 1998, or later and the due date of the installment is April 15, 1998, then enter 260 days; for June 16, 1998, 197 days, and for September 15, 1998, 106 days.

For Line 27b, enter the number of days from January 1, 1999, or the 1999 installment due date to date of payment or appropriate due date of return, whichever is earlier. If the payment date is April 15, 1999, enter 105 days for the first, second, and third quarters and 90 days for the fourth quarter.

F. Tax Withheld — You may consider an equal part of the income tax withheld during the year as paid on each required installment date, unless you establish the dates on which the withholding occurred and consider it paid on those dates.

G. Overpayment — Apply as credit against the next installment any installment overpayment shown on Line 19 that is greater than all prior underpayments.

H. Installment Payments — If you made more than one payment for any installment, enclose a separate computation for each payment. If you filed your return and paid the balance of tax due by February 1, 1999, consider the balance paid as of January 15, 1999.

I. Exception from the Additions to Tax for service in a Combat Zone — You may be exempt from an additions to tax for underpayment of estimated tax if you served in the U.S. Armed Forces in an area designated by the President as a combat zone under conditions which qualified you for hostile fire pay. If you are exempt for this reason, write on Line 19, for the applicable installment dates, "Exempt, combat zone."

J. Farmers — If (1) your Missouri gross income from farming is at least two-thirds of your total Missouri gross income and (2) you filed a Missouri Individual Income Tax Return and paid tax on or before March 1, 1999, you are exempt from charges for underpayment of estimated tax. If so, write on Line 1, "Exempt, farmer".

If you meet this gross income test but did not file a return or paid the tax when due, complete this form with respect to the last quarter only. Qualified farmers would enter all of Line 14 in the fourth quarter and calculate the appropriate underpayment.